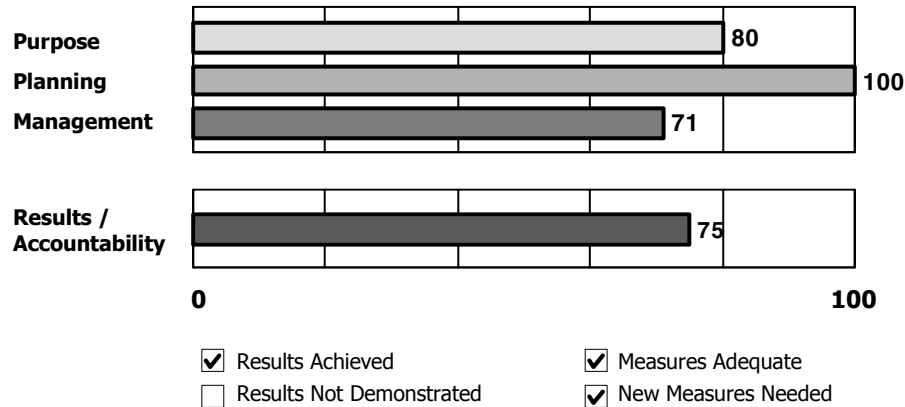


Program: Recruiting

Agency: Department of Defense--Military

Bureau: Operation and Maintenance



Key Performance Measures

| Key Performance Measures | Year | Target | Actual |
|---|------|----------|----------|
| | | | |
| Long-term Measure: Number of personnel required to meet military needs In addition to exceeding the required number of recruits, quality goals have been met over the past three years. | 1999 | 200,000 | 193,000 |
| | 2000 | 205,000 | 206,000 |
| | 2001 | 211,000 | 212,000 |
| | 2002 | 210,000 | 212,000 |
| Budget/Short-term Measure: Average cost of recruiting a new member into the Armed Forces (The numbers in this table represent the total cost of the program divided by the number of recruits. This measure is not currently used as a performance goal - it is only a measure of the expected cost of the program. The Administration recommends this performance measure.) | 2002 | | \$13,252 |
| | 2003 | \$13,662 | |
| | 2004 | \$14,162 | |
| | | | |
| Program efficiency metrics currently under development | | | |
| | | | |
| | | | |
| | | | |

Rating: Moderately Effective

Program Type: Direct Federal

Program Summary:

The recruiting program of the Department of Defense (DoD) is designed to attract large numbers of high quality young men and women to serve in the armed forces. The program is multifaceted, using military members, advertising, and bonuses to attract young men and women to military service. The goal of DoD recruiting is to ensure that sufficient numbers of qualified young Americans enlist in the armed services.

The assessment found that the program was highly effective, but since there were no measures of program efficiency, the overall rating is only moderately effective. DoD has met its goals for both quality and quantity of recruits for the past two years. During this period, costs did increase, with the Services adding production recruiters, expanding and refining their enlistment incentive programs, reenergizing advertising with performance incentives written into their contracts, embracing high technology with laptop computers and cell phones, exploiting the Internet with cyber-recruiting initiatives, and adopting proven business practices in recruiter selection and training. The Services continue to refine their recruiting programs, with the Army and Navy actually able to reduce the number of recruiters as the investments in the recruiting process come to fruition. When viewed in constant dollars, the cost-per-recruit has stabilized at the 2002 level in the 2004 Budget Request. However, the program does not have management information systems in place to allow for better decision making. There is currently no way to gauge the effectiveness of specific new tools and determine whether the recruiters are more effective.

In response to these findings, the Administration will:

1. Recommend the Department of Defense create better information systems to allow more management information flow to the program managers. This new system should support separating out and measuring fixed and variable costs, measures of management efficiency, and performance information for the results of particular inputs. Such a system would increase the information available to the program managers about the effectiveness of each of the elements of the program, allowing them to take a broader look at the available resources and apply them more efficiently.
2. Create a quarterly execution report to track program performance and program efficiency.

Program Funding Level (in millions of dollars)

| <u>2002 Actual</u> | <u>2003 Estimate</u> | <u>2004 Estimate</u> |
|--------------------|----------------------|----------------------|
| 2,644 | 2,688 | 2,805 |

OMB Program Assessment Rating Tool (PART)

Direct Federal Programs

Name of Program: Enlisted Recruiting

Section I: Program Purpose & Design (Yes, No, N/A)

| Questions | Ans. | Explanation | Evidence/Data | Weighting | Weighted Score |
|--|------|--|--|-----------|----------------|
| 1 <i>Is the program purpose clear?</i> | Yes | Recruiting is responsible for providing significant number of physically and mentally qualified young Americans to ensure the continuation and abilities of the U.S. armed forces. | Title 10 requirement - one of the Armed Forces' primary requirements. | 20% | 0.2 |
| 2 <i>Does the program address a specific interest, problem or need?</i> | Yes | The United States Armed Forces must be manned with quality personnel. Mission is to place the right person, at the right place, with the right skill-set, to enhance the readiness and institutional strength of the armed forces. | The Armed Forces need thousands of new members each year and must man many different skill sets, necessitating a process of matching interested and qualified youth with the needs of the Department of Defense (DoD) | 20% | 0.2 |
| 3 <i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i> | Yes | All the services require new high quality personnel annually to sustain force to meet mission requirements both domestically and abroad | Recruiting was established for no reason but to man the force. Recruiting, for example, provides the Army and Army Reserve approximately 120,000 new recruits annually. | 20% | 0.2 |
| 4 <i>Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?</i> | Yes | Each of the services has different requirements for their functions. Recruiting allows them to meet their manning requirements. | The Services must recruit more than 200,000 personnel each year. This is a DoD-specific mission. However, to test other methods of addressing the need, Army is conducting a Congressionally mandated test using civilian contract recruiters to enlist personnel in the army. | 20% | 0.2 |

| | | | | | | |
|---|--|----|--|---|-----|-----|
| 5 | <i>Is the program optimally designed to address the interest, problem or need?</i> | No | Recruiting is a dynamic system that has ever changing factors influencing it, i.e., youth unemployment, economic conditions, current or imminent war efforts. However, the Services consistently evaluate their programs covering the full recruiting spectrum. The Army, for example, is experimenting with recruiter selection/screening initiatives and advances in informational technology to further develop recruiter efficiencies and effectiveness. | The services continuously adjust the mix of funding between advertising, bonuses, number of recruiters, and other factors to try to reach the program goals. There are not, however, program efficiency measures in place which can provide easy modeling for success. The services generally have just increased spending on advertising, added recruiters, and/or increased or added bonuses at the same time, making it impossible to determine the relative value of each initiative. | 20% | 0.0 |
|---|--|----|--|---|-----|-----|

| | | |
|----------------------------|-------------|------------|
| Total Section Score | 100% | 80% |
|----------------------------|-------------|------------|

Section II: Strategic Planning (Yes,No, N/A)

| | Questions | Ans. | Explanation | Evidence/Data | Weighting | Weighted Score |
|---|--|------|--|--|-----------|----------------|
| 1 | <i>Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?</i> | yes | All of the services want to effectively man their force with the proper quality, quantity, and skill mixes. There excellent program performance goals, but few program efficiency goals. | The services are constantly tracking the needs and apply resources where necessary to plug holes in the recruiting program. Performance measures and feedback are mainly tracked annually, as the yearly requirements change. There are no concrete long term numerical goals; these goals are set annually, based on yearly needs. | 14% | 0.1 |
| 2 | <i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i> | yes | Base line annual performance is measured against the official service accession missions and required quality marks. | Basic program goals include the required number of recruits per service and the quality of those recruits. Other annual performance goals include changing demographics such as "Increase in College representation to 15,800 contracts" or "Increase Hispanic contracts to 12,320 contracts". Again, while program performance goals are clear, program efficiency goals are lacking. | 14% | 0.1 |

| | | | | | | |
|---|--|-----|---|--|-----|-----|
| 3 | <i>Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?</i> | yes | Partners provide quarterly updates and are integrated in the development of the strategic objectives and annual goals/objectives. In the Army, contract recruiting companies are measured on a monthly basis against their mission achievements. | Ad agencies are involved with the development of strategic objectives and programs. The Army, for example, awards quarterly incentives to its partners based upon their ability to achieve their portion of recruiting's goals and objectives. Contracts are generally performance-based, compensating partners based on their ability to deliver good product. | 14% | 0.1 |
| 4 | <i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i> | yes | There are no external programs which have a similar size and scope. Closest analogies are probably the Peace Corps and/or Americorps. Both of these, however, are dwarfed by the need for 35,000-70,000 people needed per service per year. The services do have good internal coordination and information sharing. | Navy, for example, shares information within ROTC, USNA and Joint Accession group. Several summits to ensure we evaluate how we access/share data to ensure best working effort. All services meet several times a year to share best practices. | 14% | 0.1 |
| 5 | <i>Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?</i> | yes | Program is examined for effectiveness, but not efficiency, by many sources. As noted, effectiveness measures are plentiful and reviewed quarterly or more often; efficiency measures are scarce and rarely examined. | Although the program is examined by many groups, most reviewers are either within the service (e.g. Navy budget) or independent within the service (e.g. Army IG). OSD/OMB does review the program, generally for effectiveness rather than efficiency. GAO also occasionally audits the program. And the Hill also looks at the program. But there are no non-governmental evaluations. | 14% | 0.1 |
| 6 | <i>Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?</i> | yes | Recruiting budget models are determined using past financial data, cost factors, cost drivers and a series of levers. Based on the increased or lowered recruiting missions, cost drivers will increase or decrease thereby increasing or lowering budget requirements. Levers adjust in response to legislative, policy or other changes. The levers seek to adjust major program elements of recruiting such as number of recruiters, amount of advertising, and recruiting incentives. | There are a variety of tools available to enhance program performance. For example, the Air Force missed its goals in 1999 and began national advertising, which had a measurable impact. Changes in the available tools (enlistment bonuses, college funds, advertising) can be targeted to ensure both quality and quantity requirements for all services. | 14% | 0.1 |

| | | | | | | |
|---|---|-----|---|--|-----|-----|
| 7 | <i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i> | yes | From an effectiveness standpoint, yes. From an efficiency standpoint, no. | The services continuously review their manning requirements, skill mixes, the country's demographics and youth trends and attitudes; adjust recruiter manning to cover the most fertile recruiting areas of the country, and adjust their monetary and other tools to fulfill the mission. There is not a long term goal aimed at making the process more efficient although each of the Services is looking at efficiency, particularly in recruiter manning and leveraging technology. | 14% | 0.1 |
|---|---|-----|---|--|-----|-----|

| | | | | | | |
|----------------------------|--|--|--|--|-------------|-------------|
| Total Section Score | | | | | 100% | 100% |
|----------------------------|--|--|--|--|-------------|-------------|

Section III: Program Management (Yes,No, N/A)

| | Questions | Ans. | Explanation | Evidence/Data | Weighting | Weighted Score |
|---|--|------|--|--|-----------|----------------|
| 1 | <i>Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?</i> | yes | Recruiting is examined monthly or more often to ensure the yearly goals, for both quality and quantity of recruits, is met. | Updated information on recruits appears monthly or more often, allowing the services to respond to emerging needs. For example, after 9/11, all the services needed more security forces, so bonus funding and recruiter efforts flowed toward that specialty to ensure the accessions were realized.. | 14% | 0.1 |
| 2 | <i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i> | yes | For military and civilian personnel, program effectiveness is evaluated. Efficiency, while reviewed each year, does not appear to influence significant program decisions. Contractors are being held to a higher standard and performance measures. | Recruiters, trainers and commanding officers are held accountable in reviews. In addition, advertising agencies generally provide service based a performance based contract directly tied to recruiter production. | 14% | 0.1 |
| 3 | <i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i> | yes | Funds are obligated as planned and spent for intended purposes with only limited amount of funding held back for contingencies. In one of the programs, this was not the case, but corrective action has now been taken. | All funds are obligated by the end of the year. Execution is monitored very closely, since the funding lapses each year. | 14% | 0.1 |

| | | | | | | |
|---|--|-----|---|--|-----|-----|
| 4 | <i>Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?</i> | no | The performance plan can show "cost per recruit," but that measure is not subject to reduction as a goal of the program. A significant issue is the variable nature of the manning needs, making long term goals difficult to ascertain. Generally, there are few, if any, reductions or efficiencies from year to year. | There are some efficiencies - joint buying of prospect lists, an executive agent for facilities, attempts to collocate or consolidate facilities. Also, some of the services use incentives to get recruits to enter services evenly throughout the year and ensure the training pipeline stays as full as possible. | 14% | 0.0 |
| 5 | <i>Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?</i> | yes | Resources for military recruiting annually come from up to four separate appropriations for each Service (MilPer, O&M, Other Procurement, RDT&E), therefore there is no single place in the budget for this amount. To fully capture those costs, the Department collects the total cost of recruiting at each budget position (BES and PB) through the Military Personnel Procurement Resources Report, codified by DoDI 1304.8. | The Military Personnel Procurement Resources Report collects the total cost of recruiting, separating those costs into enlisted, officer, and medical recruiting efforts. The quarterly budget hearings held by OSD Comptroller and OMB review recruiting across all appropriation lines. | 14% | 0.1 |
| 6 | <i>Does the program use strong financial management practices?</i> | no | This program is not itself audited. But DoD is unable to get a clean audit opinion. | Financial reporting is often unreliable. The recruiting commands track their own obligations, rather than relying on the certified accounting reports. Real-time financial information as a management tool does not exist. | 14% | 0.0 |
| 7 | <i>Has the program taken meaningful steps to address its management deficiencies?</i> | yes | Program is effective and reviewed often, with necessary changes made quickly. Efficiency is only now beginning to be more of an issue. | Using the manning metrics (number of recruits, quality of recruits, etc.) adjustments are constantly made to assure short term success. Long term success is reflected in the attrition and retention rates for enlisted personnel. From an efficiency standpoint, the services are more concerned with giving recruiters better tools (laptops, cars, cell phones), leveraging technology such as the Internet, and offering special duty assignment pay, but are continuing to look at some efficiencies in the areas of recruiting levels, facilities, and information sharing. | 14% | 0.1 |

| | | |
|----------------------------|-------------|------------|
| Total Section Score | 100% | 71% |
|----------------------------|-------------|------------|

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

| Questions | Ans. | Explanation | Evidence/Data | Weighting | Weighted Score |
|--|------|--|--|-----------|----------------|
| 1 <i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i> | yes | Military services have generally achieved the quality and quantity of forces needed to be fully ready and well manned. | Services are manned to their legislated end strengths. Accession mission in some services is being reduced due to the success of both the recruiting and retention programs. | 25% | 0.3 |
| <div> <div>Long-Term Goal I:</div> <div>Target:</div> <div>Actual Progress achieved toward goal:</div> </div> <div>Manning the force</div> <div>Achieve quality and quantity of persons needed by the armed forces.</div> <div>Achieved quality/quantity goals for FY 2002, for all services and increased the number of recruits already in the pipeline for next year.</div> | | | | | |
| <div> <div>Long-Term Goal II:</div> <div>Target:</div> <div>Actual Progress achieved toward goal:</div> </div> <div>Enhance marketing and diversity efforts</div> <div>Increased propensity to serve among youth and especially among a diverse youth population.</div> <div>Propensity to enlist has increased slightly and marketing efforts are now targeted at more diverse communities and using newer mediums like the internet.</div> | | | | | |
| <div> <div>Long-Term Goal III:</div> <div>Target:</div> <div>Actual Progress achieved toward goal:</div> </div> <div>Increase program efficiency and joint administration of the program.</div> <div>Recruiting stations collocated, manned, and staffed efficiently, and technologically up to date.</div> <div>Trend is toward fewer, larger stations. Electronic transfer of recruit data being worked. Services will continue to maintain their own processes, so the environment will never truly be joint.</div> | | | | | |
| 2 <i>Does the program (including program partners) achieve its annual performance goals?</i> | yes | Military services have generally achieved the quality and quantity of forces needed to be fully ready and well manned. | Services are manned to their legislated end strengths. Accession mission in some services is being reduced due to the success of both the recruiting and retention programs. | 25% | 0.3 |
| <div> <div>Key Goal I:</div> <div>Performance Target:</div> <div>Actual Performance:</div> </div> <div>Number, quality, and diversity of recruits.</div> <div>More than 200,000 recruits, 95% or more high school degree graduates, increase underserved communities</div> <div>All Services will meet goals, with quality even higher than expected. Sample stats: Active Army accession mission of 79,500 and the Army Reserve accession mission of 28,825 both made; Improved Army quality marks to 91.24% HSDG, 68.17% CAT I-III, and 1.38% CAT IV and Reserve marks to 95.4% HSDG, 69.64% CAT I-III and 0.61% CAT IV (Both estimates contain Accessions plus Remaining DEP for FY02). Hispanic representation increased to nearly 12,000 contracts.</div> | | | | | |
| <div> <div>Key Goal II:</div> <div>Performance Target:</div> <div>Actual Performance:</div> </div> <div>Increase use of technology</div> <div>Equip recruiters with laptops and other technology tools to increase productivity.</div> <div>No clear measure of productivity increase. Anecdotal evidence that recruiters use the tools and find them helpful.</div> | | | | | |
| <div> <div>Key Goal III:</div> <div>Performance Target:</div> <div>Actual Performance:</div> </div> <div>Efficient use of bonuses and other incentives</div> <div>Meet critical skills accession needs</div> <div>While the year is not over, services were able to target incentives to hard-to-fill specialties and were able to recruit enough quality personnel to fill more than 90% of the critical skill needs.</div> | | | | | |

Footnote: Performance targets should reference the performance baseline and years, e.g. achieve a 5% increase over base of X in 2000.

| | | | | | | |
|---|---|-----|--|---|-----|-----|
| 3 | <i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i> | no | No coherent measures of efficiency or cost-effectiveness. | Cost per recruit has continued to rise, driven by advertising, among other things. Some consolidation in locations is being achieved, but that is not a performance measure. There is much more of a focus on the outcome, with little focus on managing to or even determining efficiency goals. | 25% | 0.0 |
| 4 | <i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i> | N/A | There are no external programs of this magnitude to compare against. | Americorps, for example, brings in a few thousand folks (vice 200,000 for the armed services) at a cost of around \$19,000 per person, including lodging and subsistence for the year. There is no directly comparable amount for DoD. | 0% | |
| 5 | <i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i> | yes | All the evaluations of the program are positive in terms of effectiveness. | The force is manned with the quality and quantity of recruits necessary. | 25% | 0.3 |

| | | | | | | |
|----------------------------|--|--|--|--|-------------|------------|
| Total Section Score | | | | | 100% | 75% |
|----------------------------|--|--|--|--|-------------|------------|